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ABSTRACT

This learning activity packet on preparing a budget is one of three (see note) intended for special needs (handicapped and disadvantaged) learners. Its objective is for the student to learn how to develop a budget. Contents include a source guide that provides the behavioral objective and lesson plan, pre-test, supplementary lesson information, worksheet, self-test, and evaluation. (Sources for audiovisual aids referred to in the lesson plan are not provided.) (YLB)

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LEARNING ACTIVITY PACKET:
Preparing a Budget

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# Technical Assistance and Dissemination System: Illinois Special Needs Populations

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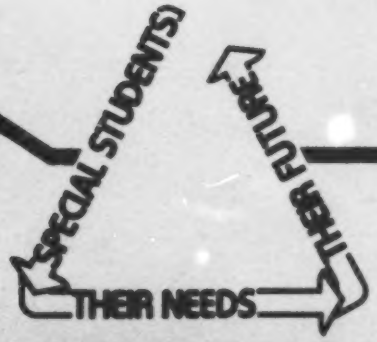


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Preparing a Budget

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## SOURCE GUIDE

## LEARNING ACTIVITY PACKAGE

INSTRUCTIONAL OBJECTIVE: Given information about a budget and what goes into a budget, the student will develop a budget with 80% accuracy.

PROFICIENCY PRETEST: The students will take a written pretest for this objective.

LEARNING ACTIVITIES:

1. Supplementary lesson information.
2. Listen to audio tape of supplementary information.
3. Class discussion of "How a budget can help you."
4. Worksheet
5. Study a sample budget.

SELF-TEST: The students will develop a budget from the given information.

EVALUATION: The students will develop HIS/HER own budget for one month with 80% accuracy.

PRETEST:

Part I* Put a T in front of each statement that is true, and an F in front of each statement that is false.

_____1. A comparison will let you check what you planned against what really happened.

_____2. The first budget you make will probably work.

_____3. You should list only <u>your</u> income on the budget.

_____4. You must figure out fixed and changing expenses for the same month.

_____5. You should not make changes in your budget.

Part II* Write the correct word in the blanks below. Use these words:

| | | | |
|---|---|---|---|
| clothing | budget | fixed expenses | comparison |
| savings | Social Security | changing expenses | |

1. _____checks are income.
2. You should consider _____ as a part of your fixed expenses.
3. A _____is a plan for using money.
4. One changing expense is _____.
5. Rent is a _____.
6. Clothing costs are _____.
7. You check one thing against another. This is a _____.

Part III* Write Yes or No in front of each question.

_____1. Your aunt gives you $10.00. It is for your birthday. She gives you cash. Should this gift go into your budget?

_____2. You save $25.00 each month. Should this go under PLANNED CHANGING EXPENSES?

_____3. Your planned expenses are bigger than your income. Can this get you into money trouble?

_____4. Is balancing a budget only important for business?

SUPPLEMENTARY LESSON INFORMATION

## IMPORTANT WORDS USED IN THIS LESSON

1. BILL - A bill is a statement of money you owe. It tells what you owe for something you use or buy.

2. EMERGENCY - An emergency is a sudden need for quick action.

3. EXPENSES - Expenses are amounts of money you spend. Some examples are rent, electricity, gas, car payment, and food.

4. INTEREST - Interest is money someone pays you to use your money. Interest is also money you pay to use someone else's money.

5. SAVINGS ACCOUNT - A savings account is money you put in a bank. You can have a savings account in a savings and loan company or a credit union too.

SUPPLEMENTARY LESSON INFORMATION

WHAT IS A BUDGET?

A budget is a plan for spending money. A budget tells how much money you might receive during a period of time. It tells how much money you might spend during the same period of time. A budget can help you use your money in the best way for you. It tells you what you can afford and it tells you when you can afford it.

This is how a budget can tell you what you can and can't afford. *Suppose you bring home $450.00 each month. You spend $400.00. You have $50.00 a month left over. You may need the $50.00 for an emergency. You may have to pay for home repairs. But you may be able to save that money. You can save it for something else you need or want. There is another good thing about a budget. It can give you peace of mind. You know how much money comes in. You know how much money you can spend. You know what you can afford to buy. You know when you can pay for things.

Now your money is not managing you! You are managing your money. When you manage your money, you can spend it wisely. You won't worry so much about money when you manage it. It will give you pleasure. You will also have money for emergencies.

So a budget is a tool. A budget helps you take care of, or manage your money. It helps you get the most you can for the money you have. That takes a lot of worry out of living. Making a budget doesn't have to be hard. In fact, a simple budget is the best kind. A simple budget is easy to keep track of.

READ THE STEPS BELOW. THEY WILL TELL HOW TO MAKE A BUDGET.

1. Figure out your family income. Income is money. It is money you or others in your house get. You get it in a certain amount of time. Your income is all the money you get. Your salary is income. A salary is paid for doing a regular job. Do you work for a company? Then your paycheck is income. Are you retired? Then your pension is income. Do you get Social Security checks? They are income. Other government checks are income, too. Interest on a savings account is income. A gift of money is income.

2. Figure out your fixed expenses. Fixed expenses are expenses that have to be paid at regular times. They have to be paid in regular amounts. They don't change very often. They stay the same for a long time. They are fixed. Rent is a fixed expense. Rent stays the same for a long time. It usually has to be paid each month. The rent goes up sometimes, but not often.

3. Figure out your changing expenses. Changing expenses are expenses that change often. They may change from week to week. They may change from month to month. Food is a changing expense. Clothing is a changing expense. Doctor bills are changing expenses. You don't know exactly what they will be. You don't know when they will come.

4. Set goals. A goal is something you want. It is something you try to get. Your goal may be a new coat. It may take two months to save the money. Or you may have a money goal for the year. The goal may be to finish paying for your car. You may have a money goal for the next

few years. That goal may be to put a down payment on a home. A down payment is part of the cost of a home.

5. Make a one-month budget. This will help you see where your money comes from. It will help you see how you spend your money. It will give you practice in managing your money.

6. Keep track of what you spend during the one-month. Then you will know if you made your one-month budget correctly. You will see things you forget. You may see things you can take off your budget. You will see how a budget can help you.

7. Make a regular budget every month. It is easy to budget monthly. Many bills come once a month. So does a lot of income, such as Social Security checks.

## WORKSHEET

PART A - CHECKING FACTS

Put an X in front of each correct statement.

_____1. A budget is a plan for spending your money.

_____2. A budget tells how much money you can make. It tells you what you may spend. It covers a certain time.

_____3. A budget cannot help you use your money the best way for you.

_____4. A budget can tell you what you can and can't afford to buy.

_____5. A budget can tell you when you can afford something.

_____6. A budget is always hard to make.

PART B - USING WORDS

Write the correct words in the blanks below. Use these words:

income expenses interest goal bill

1. You owe a store money. The store will send you a _____.
2. You put money in a savings account. The bank pays you _____.
3. All the money that you get is called _____.
4. All the money you spend is called _____.
5. A _____is something you want for the future. You work to get it.

PART C - DRAWING CONCLUSIONS

Write Yes or No in front of each statement.

_____1. Is it smart to save money each month for emergencies?

_____2. Is it smart to save money in the summer to buy school clothes in the fall?

_____3. Are car payments a changing expense?

_____4. Is money spent for movies and dances a changing expense?

## SAMPLE BUDGET

| Bob and Mary's Budget for One Month | | Bob and Mary's Real Income and Expenses for Month | |
|---|---|---|---|
| **PLANNED INCOME** | | **REAL INCOME** | |
| Bob's job | $552.00 | Bob's job | $552.00 |
| Mary's job | $230.00 | Mary's job | $200.00 |
| Social Security | 0 | Social Security | 0 |
| Pension | 0 | Pension | 0 |
| Public Assistance | 0 | Public Assistance | 0 |
| Alimony | 0 | Alimony | 0 |
| Interest | 0 | Interest | 0 |
| Rent (paid to you) | 0 | Rent (paid to you) | 0 |
| Money gifts | 0 | Money gifts | 0 |
| Other income | $50.00 | Other income | $50.00 |
| TOTAL PLANNED INCOME | $832.00 | TOTAL REAL INCOME | $817.00 |
| **PLANNED FIXED EXPENSES** | | **REAL FIXED EXPENSES** | |
| Rent or mortgage | $180.00 | Rent or mortgage | $180.00 |
| Heat (included in rent) | | Heat (included in rent) | |
| Gas | $2.00 | Gas | $2.00 |
| Electricity | $11.00 | Electricity | $10.80 |
| Water (landlord pays) | | Water (landlord pays) | |
| Telephone | $9.50 | Telephone | $9.50 |
| Transportation | $41.40 | Transportation | $54.00 |
| Insurance | $25.00 | Insurance | $25.00 |
| Installments | $52.40 | Installments | $52.40 |
| Taxes | 0 | Taxes | 0 |
| Savings | $57.70 | Savings | $50.00 |
| Other Church | $20.00 | Other Church | $20.00 |
| School | $15.00 | School | $15.00 |
| TOTAL PLANNED FIXED EXPENSES | $414.00 | TOTAL REAL FIXED EXPENSES | $418.70 |

| PLANNED CHANGING EXPENSES | | REAL CHANGING EXPENSES | |
|---|---|---|---|
| Food | $248.00 | Food | $263.00 |
| Clothing | $15.00 | Clothing | $23.25 |
| Doctor & Dentist | 0 | Doctor & Dentist | $15.00 |
| Laundry & Dry Cleaning | $15.00 | Laundry & Dry Cleaning | $10.40 |
| Home Repairs | 0 | Home Repairs | 0 |
| Gasoline & Car Repair | 0 | Gasoline & Car Repair | 0 |
| Personal | $75.00 | Personal | $46.65 |
| Entertainment | $40.00 | Entertainment | $15.00 |
| Other Emergencies | $25.00 | Other Emergencies | $25.00 |
| TOTAL PLANNED CHANGING EXPENSES | $418.00 | TOTAL REAL CHANGING EXPENSES | $398.30 |
| TOTAL PLANNED INCOME | $832.00 | TOTAL REAL INCOME | $817.00 |
| TOTAL PLANNED EXPENSES (add total planned fixed expenses and total planned changing expenses.) | $832.00 | TOTAL REAL EXPENSES (add total real fixed expenses and total real changing expenses.) | $817.00 |
| DIFFERENCE | $ 0 | DIFFERENCE | $ 0 |

SELF-TEST: Given the following information, develop a budget.

| | PLANNED INCOME | REAL INCOME |
|---|---|---|
| Bob's job | $550.00 | $550.00 |
| Mary's job | $225.00 | $230.00 |
| Rent | $190.00 | $190.00 |
| Heat (included in rent) | | |
| Savings | $25.00 | $30.00 |
| Clothing | $30.00 | $15.00 |
| Gasoline & Car Repair | $25.00 | $35.00 |
| Entertainment | $10.00 | $12.00 |
| Other Emergencies | $25.00 | $15.00 |
| Gas | $10.50 | $12.00 |
| Electricity | $8.00 | $10.00 |
| Water (landlord) | | |
| Insurance | $23.80 | $23.80 |
| Food | $250.00 | $265.00 |
| Doctor & Dentist | $20.00 | $18.00 |
| Personal | $45.00 | $35.00 |

EVALUATION: THE STUDENT WILL DEVELOP HIS?HER OWN BUDGET FOR ONE MONTH WITH 80% ACCURACY.